



michigan municipal

to	House Commerce Committee	from	Andy Schor, Assistant Director of State Affairs
subject	SB 566-568, SB 556,	date	July 13, 2010

The Michigan Municipal League is supportive of SB 566 – 568. Now more than ever, we believe that “place-making” will attract an increasingly mobile workforce to Michigan to live, which will bring jobs to communities. In order to do this, we need to grow and strengthen Michigan’s communities. Revitalizing these communities is a key part of that place-making. We need to ensure community sustainability and improve quality of life as they relate to creating places that are attractive to live, work, learn and play.

These bills will be a key part of that strategy moving forward. While many of our members were distressed at the elimination of the Brownfield and Historic credits, they were encouraged by the inclusion of the \$100 million in the budget that will create community revitalization and business development. Now, this new program will provide structure for those funds.

The conditions listed in SB 567 are appropriate to rebuilding cities and urban areas, in accordance with the priorities set by Governor Snyder. They recognize the partnership in economic development between the community and the state, and they ensure that the state is investing its limited resources in revitalizing areas that can sustain development.

While supportive, we do have a few concerns we think the committee should think about as it finalizes these bills:

1. We are concerned that the limited funds and insistence of the MEDC to not look at geographic disbursement of funds will lead to smaller communities not receiving the dollars that they need to revitalize their communities and downtowns. Smaller communities like Niles, Charlotte, Rochester, Adrian, Monroe, Marshall and others have relied on Brownfield and Historic credits in the past and are concerned that they will no longer see the state assistance needed for downtown revitalization.
2. We are concerned that the conditions are a bit open-ended in that the MEDC may be able to ignore the conditions if they choose. The changes made in the Senate (“may” to “shall” and the condition allowing other factors) were positive steps.
3. We are concerned about the ability of one person - the MSF Chair – to approve projects without discussion and decision of the full MSF.
4. We are concerned about the 3-4% of the \$100 million that will be taken out for administrative uses, not including the “actual and reasonable costs” that can be charged to the fund. This is \$3 million to \$4 million dollars in new staff, and takes that much away from projects



5. We are concerned about the division of the \$100 million. Both the Community Revitalization Fund (SB 566-568) and the Business Development Fund (SB 556) use dollars from the \$100 million. In previous years there has been more than \$100 million approved just for Brownfield Credits, and now this money will be divided up between the former Brownfield/Historic projects and among the former MEGA projects, and there a lot less of the money could be used for revitalization. All these decisions of the division of the funds will be made by the MEDC staff and Strategic Fund.

All that being said, we agree with Sen. Pappageorge's comments in Senate Committee. This is a year-to-year appropriation and the allocation of the dollars – both revitalization vs. business attraction, and geographic issuance – will be reviewed by the Appropriations Committees next year before dollars are again budgeted. That will not only provide appropriate checks and balances, but will assure that any changes can be made to the dollars and programs in the future. Additionally, we are encouraged to hear MEDC staff say in Senate testimony that they are focused on increasing density, restoring buildings, creating walkability, and fostering a sense of place.

So, we put our faith in the Legislature, Governor, and MEDC that the appropriation, along with these bills, will provide the needed revitalization in communities to attract talented youth and jobs back to Michigan. We request that you support and vote for these bills, and send them to the Governor for his signature.

Thank you for your time. Due to the League's annual Convention, I am not able to attend the October 5th meeting, but I plan to be in committee on October 11th when the bills are expected to receive a vote.